

July 18, 2019 04:35 PM | UPDATED 40 MINUTES AGO

These 13 suburbs beat the real estate droop in the first half of 2019

Crain's analyzed mid-year data on home sales, looking for the towns where three attributes all improved in the first half of 2019.

DENNIS RODKIN  



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The real estate market varied from OK to tepid to weak in the majority of Chicago suburbs in the first half of 2019, but in a baker's dozen of towns, it has been strong.

That's according to Crain's analysis of January through June sales data for about 175 suburbs in Cook, DuPage, Lake and Will counties released July 15 by the Chicago Association of Realtors and Midwest Real Estate Data. To find the strongest markets, Crain's looks for places where three attributes all improved in the first six months of the year compared to the same time in 2018: The number of homes sold and the median sale price have risen, and the average time a home spends on the market has fallen.

By that measure, 13 suburbs qualify as "strong," beating this year's drop in not only [the Chicago area's](#) housing market but [the nation's](#). (See chart at bottom.)

They are, for the most part, towns where housing costs less than in most other parts of the metropolitan area. In all but two of the year's strongest suburbs, the median home sale price is below the median price for the nine-county Chicago area, \$259,000. "They're first-time buyer markets, or places where seniors and other people go to find something they can afford," said Gary Hall, a Re/Max Central agent who has recently sold homes in Addison and other towns on the strong list.

Buyers in these lower-cost places tend to be more sensitive to interest rates' impact on what they can afford. Swift increases in interest rates in late 2018 were followed by a fallback that may have motivated people to buy while affordability is good.

The two suburbs where the median sale price is above the region's median are Countryside, at \$275,000, and Riverside, at \$417,500.

Crain's analysis includes only those suburbs where 25 or more homes sold in both periods, the first six months of 2018 and the first six months of 2019. A corresponding study of the mid-year data for the city's 77 neighborhoods will be out later.

The other side of the coin is the towns where all three attributes slipped: The number of sales and the median sale price dropped in the first six months of 2019 from the same period a year ago, and homes spent more time on the market on average.

Seventeen suburbs landed on the "weak" list at mid-year. Many of them are higher-priced markets, including the North Shore towns Glencoe, Highland Park and Wilmette. Last year's change in the tax code that put [limits on the federal deduction for state and local taxes](#) is a factor: It has reduced affordability for homebuyers. The North Shore is also feeling the effect of a long-term shift in taste back toward the city, reducing demand for suburban homes. The number of homes there [that sell for less than one or more previous sale prices](#) is testament to the erosion of demand there.

One of the biggest first-half droops in the suburbs is in Oak Park. Home sales were down 22 percent in the first half of the year. The median sale prices of homes dropped almost 12 percent from a year ago, and homes are spending nearly 40 percent longer on the market than they did in the first six months of 2018.

Three Oak Park agents all said property taxes are a big factor. “It’s reached a breaking point where buyers realize their money goes farther in other areas,” said Laurie Christofano, an agent at Re/Max in the Village, in Oak Park. Homeowners in Oak Park are taxed nearly 12.7 percent of the taxable value of their property, according to [the latest rates](#), released in June by Cook County Clerk Karen Yarbrough in late June. Christofano specifically mentioned buyers opting for LaGrange (where the tax rate is about 9.2 percent) and Western Springs (7.8 percent) over Oak Park.

Two other Oak Park agents echoed Christofano's statement about property taxes hurting Oak Park's housing market—without being prompted by a Crain's reporter. Both Cory Kohut of Berkshire Hathaway HomeServices KoenigRubloff Realty Group and Vanessa Willey of Baird & Warner pinpointed property taxes as a market weakener in Oak Park.

In between the 13 strong and 17 weak suburban markets are about 140 other suburbs where the three signs—number of sales, median price and time on the market—were neither all doing better nor all doing worse in the first half of 2019. In some towns, two of the three indicators improved, and in some towns, one of the three. Crain's only publishes the detailed data on all towns at the end of a full year, but here's how the suburbs did more generally: Sales declined in 65 percent of the suburbs that Crain's analyzed. The median price of homes sold was down in 33 percent. And homes stayed on the market longer in 54 percent.

The 13 strongest suburban markets—and the 17 weakest

Crain's uses three data points to measure a market's strength: home sales volume, median prices and time on the market before a house is sold. These lists are based on data for the first six months of 2019. In the strong suburbs, home prices and the median price of homes sold were up in the first half of the year compared to the same period in 2018, and the number of days a home spent on the market was down. In weak suburbs, home prices and the median price of homes sold were down in the first half of the year compared to the same period in 2018, and the number of days a home spent on the market was up.

Strong suburbs	Weak suburbs
Addison	Arlington Heights
Alsip	Buffalo Grove
Blue Island	Darien
Bridgeview	Glencoe
Countryside	Elk Grove Village
Glendale Heights	Elmhurst
Hillside	Glenview (includes Golf)
Lansing	Highland Park
Park Forest	Lisle
Riverside	Naperville
Sauk Village	Oak Park
University Park	Rolling Meadows
Westchester	South Holland
	Villa Park
	Wheeling
	Willow Springs
	Wilmette

Suburbs where fewer than 25 homes sold in either the first half of 2018 or the first half of 2019 were not included in this analysis. The suburbs for which data are available are all towns in Cook, DuPage and Lake counties, and most towns in Will County, Kane, McHenry and other counties are not available from Crain's source.

Source: Report by Chicago Association of Realtors, Midwest Real Estate Data, Showing Time • [Created with Datawrapper](#)

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